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GENERALIZED SYSTEM OF PREFERENCES

Scheme of Australia

Amendment

The UNCTAD secretariat has received from the Permanent Mission of Australia, the following information concerning its GSP scheme:

"Changes made to Australian rules of origin arrangements for developing countries and implemented on 1 April 1994 eased requirements for qualifying for preference by allowing the inclusion of certain costs not previously permitted (e.g. freight between factories in the qualifying area). At the same time, it clarified the treatment of materials of mixed origin going into goods seeking preferential entry into Australia, and this involved some tightening of the provisions. The balance, however, was definitely towards the easing of the rules.

"On Australia's Developing Countries and Least Developed Countries Preference Scheme, the last stage of phasing out of developing country preferences for all except the Least Developed Countries (LDCs) and the South Pacific Island Territories (SPITs) was put in place from 1 July 1994.

"There have been three Government decisions on phasing-out preferences for developing countries:

- the first was that developing country preferences would be phased out for the four "tigers" (Singapore, Hong Kong, Taiwan Province of China and the Republic of Korea);

- this was followed in the lead-up to the 1993 election with a commitment to phase-out developing country preferences for certain sectors for all except the LDCs and the SPITs which was adopted after the election;

- the latest decision, taken in the context of the White Paper, "Working Nation", extended the 1993 election commitment to all sectors.

In each case, the Government has indicated that the developing country rate (DC) would be frozen until the general tariff rate (GT) reached that level, at which time the GT would apply. There would be no tariff rate increase, so developing country preferences would remain in place where the general phasing programme was not sufficient to result in their removal.

"By 1 July 1996, the phasing arrangements will be essentially completed for those developing countries covered by the programme. Developing country preferences will, however, remain in place for these countries in a number of areas, including:

- PMV Replacement Parts - GT 15 per cent, DC 10 per cent until the year 2000;

- sugar - $55/tonne, DC less 5 per cent - to be reviewed in 1996;

- products where the GT was 9 per cent, DC 4 per cent at the time of the 1994 decision - the July 1996 rates will be GT 5 per cent, DC 4 per cent."